



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Robert P. Butts, Jr.
The Union Light, Heat and Power Company
139 East Fourth Street
Cincinnati, OH 45202

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

August 24, 2005

CERTIFICATE OF SERVICE

RE: Case No. 2005-00329
The Union Light, Heat and Power Company

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on August 24, 2005.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF THE)	CASE NO. 2005-00329
UNION LIGHT, HEAT AND POWER)	
COMPANY)	

ORDER

On January 31, 2002, in Case No. 2001-00092, the Commission approved rates for The Union Light, Heat and Power Company ("ULH&P") and provided for their further adjustment in accordance with ULH&P's gas cost adjustment ("GCA") clause.¹

On August 10, 2005, ULH&P filed its GCA to be effective August 30, 2005. ULH&P previously obtained Commission approval to file its GCA within 20 days of the proposed effective date.²

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. ULH&P's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. ULH&P's Expected Gas Cost ("EGC") is \$9.339 per Mcf, which is an increase of 95 cents per Mcf from the previous EGC of \$8.389.

¹ Case No. 2001-00092, Adjustment of Gas Rates of The Union Light, Heat and Power Company, Order dated January 31, 2002.

² Case No. 2003-00386, The Application of The Union Light, Heat and Power Company for Authority to Make Monthly Adjustments to the Expected Gas Cost Component of Its Gas Cost Adjustment Rate, Order dated November 6, 2003.

3. ULH&P's notice sets out a current refund adjustment ("RA") of (.4) cent per Mcf. The total RA of (.6) cent per Mcf represents a decrease of .3 cent per Mcf from the previous total RA.

4. ULH&P's notice sets out a current quarter actual adjustment ("AA") of (42) cents per Mcf. The total AA of (3.3) cents per Mcf represents a decrease of 1 cent per Mcf from the previous total AA.

5. ULH&P's notice sets out a current quarter balancing adjustment ("BA") of 1 cent per Mcf. The total BA of 4.5 cents per Mcf represents a decrease of 1.3 cent per Mcf from the previous total BA.

6. ULH&P's gas cost recovery rate ("GCR") is \$9.345 per Mcf, which is 83.4 cents per Mcf more than its previous GCR of \$8.511.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by ULH&P on and after August 30, 2005.

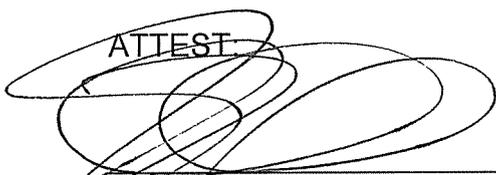
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after August 30, 2005.

2. Within 20 days from the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of August, 2005.

By the Commission

ATTEST


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00329 DATED August 24, 2005.

The following rates and charges are prescribed for the customers served by The Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2334	plus	\$.9345	\$1.1679

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2049		\$.9345	\$1.1394